Construction of two/three star hotels and Youth Hostels

*123. SHRI SURESH KALMADI:†
SHRI DHARAM CHANDER PRASHANT:

Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state:

(a) whether Government have recently taken a decision not to invest public funds in building Five Star hotels in future;

(b) whether Government propose to encourage the building of Youth Hostels and also Two/Three Star Hotels to cater to the youth and middle class tourists respectively; and

(c) if so, what are the details in this regard?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT): (a) to (c) A statement is laid on the Table of the House.

Statement

It has been decided not to invest public funds in building 5-Star hotels except one at Bombay to complete the ITDC chain of hotels. With a view to encourage budget tourism during the Seventh Plan period Department of Tourism has initiated a scheme for construction of "Yatri Niwases" to cater to the youth and middleclass tourists in the country. In the first phase at least one Yatri Niwas is proposed to be construsted in each State|Union Territory. This is a plan scheme under which the State Government would provide a developed piece of land and other ancillary facilities, the construction cost being met by the Central Department of Tourism.

At present the ITDC is also constructing 2/3 star hotels at the following places under its joint venture scheme in collaboration with the concerned State Governments:—

Name of the place where hotel will be set-up	Estimated cost (Rs. in lakks)	Scheduled date of completion
Gauhati (Assam)	195	June, 1986
Ranchi (Bihar)	130	June, 1986
Bhopal (Madhya Pradesh)	190	October, 1986
Puri (Orissa)	190	May, 1986
Itanagar (Arunachal Pradesh)	80	October, 1987
Pondicherry	81	October, 1987

To cater to the youth in addition to the 18 youth hostels in existence construction of 10 more Youth Hostels had been sanctioned in the Sixth Plan of which 7 are likely to be completed by 1986. In the 7th Plan, the Department of Youth Affairs and Sports proposes to take up construction of 60 more Youth Hostels at a cost of Rs. 300.00 lakhs.

†The question was actually asked on the floor of the House by Shri Suresh Kalmadi.

SHRI SURESH KALMADI: Sir, I am happy that the Government has finally bowed to reason and decided not to invest any more in five-star hotels and go in for Yatri Niwases. But I am very much concerned about the fate of the existing five-star hotels which are run by the Government. What is their profitability? It has been very low. One Taj Hotel in Delhi makes more profits than all the ITDC hotels put together. I do not know why the Indian Airlines crew stay in hotels other than the ITDC hotels, where facilities are available. I do not know why contracts for in-flight meals should not be given to the ITDC hotels and why should it be given to the private sector. The most surprising thing is the decision to convert Akbar Hotel into an office of the External Affairs Ministry. What is the reason? On the one hand, you build hotels like the Kanishka and you say that such hotels are needed for Delhi's growth. But on the other, you are considering closing down Akbar Hotel, a part of Akbar Hotel and thinking of converting it into an office of the External Affairs Ministry. What is the reason for doing so?

SHRI H. K. L. BHAGAT: I must thank the hon. Member for appreciating the Government's decision not to invest public funds any more in five-star hotels. I must thank the hon. Member (*Interruptions*) · will answer all your questions. So far as the fate of the existing ITDC five-star hotels is concerned—I am grateful to the hon. Member for putting the question—he says, they are incurring losses and asked why it is so. I am glad to inform him that during the year 1985-86, up to January, 1986, one of the hotel divisions which run these hotels on behalf of the ITDC has made a profit of over a crore of rupees. It is not correct to say that all the ITDC hotels are running into losses as a whole. It is true that these hotels were undergoing some losses to begin with, because they acted like some kind of a catalyst and there were some problems in the public sector undertaking. Then the years 1984 and 1985 have been bad for tourism. Part of 1985-86 was also the same, and the position has improved in January, 1986. So, it is not correct to say that the ITDC hotels as a whole are in losses. Some of them are still in losses, but taking the ITDC hotels as a whole they are earning profit.

Secondly, he has asked as to why the Indian Airlines crew and others are staying in private hotels. Well, generally the Government instructions are there that where Government hotels are available they should be utilized. In fact, Hotel Corporation of India which is under the Civil Aviation Ministry, itself has hotels. So, there is no need to send them to other hotels. They are supposed to stay there or in Government hotels. If the hon. Member has any specific case in his knowledge, I am perpared to look into that.

Then he asked a question about the Akbar Hotel. It is true that the Government has taken a decision that the Ministry of External Affairs may be given accommodation there with effect from April, 1986. The reason why this decision was taken is that for the last two to three years the situation was not satisfactory in the sense that there were not enough tourists and the Ministry of External Affairs also needed accommodation for itself and for other offices and it was felt that this should be given over to them. So, this decision was taken and this decision stands till today but the proposal is to take care of all the employees who are in the Hotel.

SHRI SURESH KALMADI: I am surprised when the Minister says that he is not aware of the Indian Airlines crew staying at other places. I am sure you yourself must have been attending a lot of parties in the Taj Mahal Hotel. When there are Ashoka, Kanishka and Lodhi Hotels, why do you have your Ministry parties or functions to entertain foreign dignitaries in private sector hotels? I think that is also wrong.

My second supplementary is regarding the budget in the Seventh Plan which is really low. You are deciding to go in for one star, two star and youth hostels which is a good thing but your budget is low. Now in your statement you have shown that you have decided not to invest any more public funds in five-star hotels. I think you do not mean public funds which include banks also. With this statement of yours, banks also will not be encouraging five-star hotels in the private sector. Does that mean that, or did you mean five-star hotels in the public sector? Also, if tourism has to be given a boost, private sector has to be involved in a big manner. You have said that tourism would be declared as an industry to give a boost to this hotel industry. Why is it that the State Governments are not complying with the instructions of the Central Government and which of the State Governments are not doing so?

SHRI H. K. L. BHAGAT: Sir, I am again grateful to the hon. Member for asking a question which enables me to give useful information to the House. Unfortunately, the hon. Member said that I must be visiting Taj and other Hotels to attend private parties. Unfortunately, I am not habituated to doing so. I have least visited these five-star hotels. I do not believe in five-star culture and I am not a five-star man. (*Interruptions*). In fact, I am a 'dharamsala' type personality.

The second question put by him is very important. He says that so many parties are held. The Government has told all these public sector undertakings and others that wherever Government hotels are available, they must make use of them. We have written to them. A number of them are using Government hotels. In case the hon. Member has information about any specific case, he can give me the information and I will certainly write to them and find out the facts. (*Interruptions*).

MR. CHAIRMAN: Mr. Kalmadi, you cannot have a running commentary when the Minister is replying.

SHRI H. K. L. BHAGAT: I will find out if my Ministry has any information. Now, Sir, another point he has raised and I must clarify it. I must be grateful to him. I used the words "public funds". I must correct myself right now. When I said public funds, I meant public sector. The private sector is definitely free to put up a Five-Star hotel wherever they think it is feasible. We are not banning that. In some towns 5-Star hotels are necessary and they can raise them; there is no bar on the, to take loans under usual terms and conditions from the banks.

Then about the other thing, I entirely agree with the hon. Member that the funds for development of tourism and hotels are not adequate. The funds of the Central Government and the State Governments taken together are not adequate and therefore it is necessary that the private sector should come in a big way. Government is keen to encourage the private sector. In fact during the Seventh Plan period our assessment is that we would be needing in the approved sector 30,000 more rooms, which will mean approximately an investment of Rs. 900 crores. Therefore, we would welcome private sector initiative in it. They have initiative, expertise and and experience and we would like them to do that.

The other question which he raised was that the Central Government has decided to treat tourism as an "industry" and the State Governments are not doing that. It is not that way. The NDC said that tourism should be declared as "industry". We have written to all the State Governments. Most of the State Governments have already said "yes". Some are still considering. No one has said "no". I can go a little further and give some more information: that is what specific incentives should be given to tourism

industry or hotel industry by the States is a matter which is being gone into and the States are considering that. I am going to discuss this matter with the Finance Minister and others concerned, and also for encouraging the private sector. In fact I have already spoken to hoteliers' organisations to go in for One-Star, Two-Star and Three-Star hotels and they have said "yes", they have identified the places, they have said that they want land at concessional rates and I have said, tell me the places and I will write to the Chief Ministers.

SHRI V. GOPALSAMY: He is in full form.

SHRI DHARAM CHANDER PRASHANT: In Kashmir there are a number of Three Star hotels and a few Youth Hostels also. But for the past few years the number of tourists visiting Kashmir has gone down. I would like to ask the hon. Minister what steps his Ministry is taking to promote tourism this year in Kashmir.

SHRI H. K. L. BHAGAT: Sir, I am very happy that the hon. Member has been taking a lot of interest in the promotion of tourism, also in Kashmir. I would like to just tell him that the number of tourists declined in the country as a whole because of various reasons, including the conditions in our country. Now the situation has started improving from June, 1985 again and that improvement is there in Kashmir also. The internal conditions in Kashmir also have to be improved if we wish to improve tourism.

As far as steps are concerned, we have set up a new Council for Promotion of Himalayan Toursim and the idea is to promote tourism consistent with our resources and in as big a manner as possible. With regard to Kashmir, we have already laid the foundation for Jawaharlal Nehru Mountaineering and Skiing Institute to make a good institution there. A committee is going into the question of making the Gulmarg Skiing Centre a centre of international standards. With regard to other matters also, there are various schemes. I have discussed them with the Jammu and Kashmir Government myself and they have given certain suggestions. We are considering them. Government is quite keen. Some people say—I am not casting any reflection on Switzerland, it is one of the most beautiful countries—in India there are a number of Switzerlands. We are very keen to promote mountain tourism, including in Jammu and Kashmir, and I hope with the travel trends which are available—I do not want to make a prediction. I keep my fingers crossed, because I don't want them to catch me on that tomorrow—and which I get from travel agents abroad, the situation for this year seems to be somewhat improving.

श्री विश्व बन्धु गुप्ता : मान्यवर, मैं माननीय मंत्री जी से यह जानना चाहता हूं कि दिल्ली में, उन्होंने फरमाया है कि दिल्ली, यूनियन टेरेटरी में पहले फेज में एक यात्री निवास बनाने का प्रोग्राम है। क्योंकि दिल्ली में यात्रियों का बहुत ज्यादा ट्रेफिक रहता है, इसलिये मैं जानना चाहूंगा कि क्या आप दिल्ली में और यात्री निवास जल्दी बनाने की कृपा करेंगे या उस पर कार्यवाही करेंगे ?

दूसरी बात मैं यह कहना चाहता हूं कि इंडियन एअर-लाइंस और एयरइंडिया क्रयूज के बारे में फरमाया गया कि वो लोग दूसरे होटलों में ठहरते हैं। क्या मंत्री जी इस बात पर भी गौर करेंगे कि जो लोग एअरइंडियन या इंडियन एअर-लाइंस से ट्रेवल करते हैं भारत में उनको गवर्नमेंट के होटलज में ठहरने के लिए कोई कनसेशन की स्कीम बनाई जाए ताकि जो इंडियन एअर-लाइंस या एयर इंडिया से आएं उनको थोड़ा इस बात का एट्रेक्शन हो कि वे हमारे ही होटलों में ठहरें ।

MR. CHAIRMAN: Not relevant. Mr. Vishwa Bandhu Gupta, you must confine yourself to the question. Your question is not relevant. If you mix up too many things, this is the penalty you will pay. Mr. Satyanarayan Reddy.

SHRI B. SATYANARAYAN REDDY: The Minister has said in his reply that the Tourism Department has initiated a scheme for the construction of Yatri Niwases and in the first stage at least one Yatri Niwas is proposed to be constructed in each State and Union territory. The Minister very well knows that Andhra Pradesh is a very important State and there are a number of places of tourist interest and no sufficient...

MR CHAIRMAN: No, again. I will pass over to the next question.

SHRI B. SATYANARAYAN REDDY: I want to know whether any such Yatri Niwases or Youth Hostels have been constructed in Andhra Pradesh, if so, what are the places, if not, when the Government is going to take initiative in this direction.

SHRI H. K. L. BHAGAT: Sir, I would like to tell the honourable Member that I consider Andhra Pradesh no less important than he considers it. Therefore, the Government is giving full attention to this and one Yatri Niwas and a few other Yatri Ghars also we are going to have in Andhra Pradesh. These are Seventh Five-Year Plan schemes. They have to identify the places, we are going to give money. In fact, I am going to Hyderabad shortly to review the tourist projects of Andhra Pradesh with the State Government.

SHRI PARVATHANENI UPENDRA: What are Yatri Ghars?

SHRI R. MOHANARANGAM: Sir, the Minister has said in his statement that the State Government would provide a developed piece of land and other facilities, the construction cost being met by the Tourism Department of the Central Government. You are fully aware of the fact that Kannappar Thidal near Ripon Buildings is a very very developed piece of land in the heartland of Madras city. More than five years have passed since that land was handed over to the Central Government for the construction of a Janata Hotel or Yatri Niwas or whatever it is. What exactly is the stage where the matter stands with regard to the construction of a hotel at Kannappar Thidal near Ripon Buildings in Madras city?

SHRI H. K. L. BHAGAT: Sir, I am not in a position to say anything about this particular thing. I am on Yatri Niwases and a Yatri Niwas will be constructed at a place and site suggested by his own Government.

SHRI R. MOHANARANGAM: Both are the same. You are saying it in Hindi and I am saying it in English. Mine is Janata Hotel in English and yours is Yatri Niwas in Hindi. Both are the same.

MR. CHAIRMAN: Mr. Mohanarangam, he spoke only in English; he did not speak in Hindi.

SHRI V. GOPALSAMY: Sir, the Minister has misled the House. I may be permitted to ask a supplementary.

MR. CHAIRMAN: Mr. Jaswant Singh.

SHRI JASWANT SINGH: Sir, I will seek just two clarifications. The honourable Minister for Tourism has said that a profit of about one crore of rupees has been made by the Hotels Division of the ITDC. Therefore, I would like to know, firstly, what is the total capital invested in the hotels as such. Secondly, this one crore of which you speak as profit, what percentage rate of return does it represent of the total capital employed? This one crore that you report or put across as profit, how much of this one crore is contributed be duty-free shops and how much by hotel operations proper? Finally, he said they will take care of roughly 550 employees of the Akbar Hotel. I would like the hon. Minister to give a guarantee that these 550 employees

who will be rendered surplus from the Akbar Hotel will be absorbed by the ITDC in their hotels in Delhi.

SHRI H. K. L. BHAGAT: Sir, I would like to begin with my reply to the question the hon. Member has put about the profit. This is what he said· "is the profit of the ITDC minus the duty free shop?" The answer is "yes". I can sit with the hon. Member and give the entire turnover of the year and the profit of the year. (*Interruptions*). I must say, in school days I was very bad in figure work. If I had become a Chartered Accountant, I would have fared very badly, but I have the figures and I can sit with the hon. Member. If he likes I can give the entire turnover for each I.T.D.C. Hotel minus profit.

SHRI JASWANT SINGH· I do not want the turnover of each of the item.

MR. CHAIRMAN: He is answering. If he does not, I will help you.

SHRI H. K. L. BHAGAT: I have the information. I request you to come and I will give you all the information.

MR. CHAIRMAN: Please address the Chair, not the Member.

SHRI H. K. L. BHAGAT: He asked me about the employees of the Akbar Hotel. In this connection I can say that we have asked the External Affairs Ministry to absorb as many of them as they can. And those who are left, when they leave their job, whatever is available to them under the Industrial Disputes Act will be given to them. Thirdly, in addition to what I have stated, the ITDC plan is to absorb them in their hotels or in other new projects so that no one is left behind.

MR. CHAIRMAN: You are all detouring very much outside the main question. Therefore, I go to the next question.

RBI study on bank services

*124. SHRI YALLA SESI BHUSHANA RAO:†
MISS SAROJ KHAPARDE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news report published in the Hindustan Times of the 12th February, 1986 about the observation made by the Reserve Bank of India regarding the unsatisfactory bank services extended to customers;

(b) if so, what are the details of the study made; and

(c) what steps are proposed to be taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) A statement is laid on the Table of the House.

Statement

In the context of the stress laid by Government and the Reserve Bank on the need for concerted action on the part of the banks to improve customer service, the latter had undertaken a survey aimed at assessing deficiencies in the quality of customer service in banks' branches. The survey revealed short-comings such as delayed opening of counters in some cases, delay in encashment of cheques or issue of cheque books and issue of drafts, and staff being unaware of instructions regarding collection of outstation cheques and introduction of nomination facilities.

†The question was actually asked on the floor of the House by Shri Yalla Sesi Bhushana Rao.